

INFORMATION REPORT

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SUBJECT LDP -- Developments under Russian Influence

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SUPPLEMENT TO REPORT NO.

1. The flight of Dr. Gaertner, head of the Thuringian State Bank and heir apparent to Dr. Kuelz, marked the beginning of a Russian inspired intensive newspaper campaign against the LDP, which culminated in the article of 25 July in the Naegliche Rundschau (LDP-Fuehrung auf falschen Wege).
2. During the last few weeks Arthur Lieutenant who, together with the state chairman, is directing LDP affairs temporarily, has tried repeatedly to see Colonel Tyulpanov or some other high-ranking Russian official. Since no interview was granted, the LDP gave vent to their grievances in writing, accusing the Russians of having willfully disregarded the concessions granted a few months ago by Marshal Sokolovski to Lieutenant and Kuelz in regard to the policy to be pursued in the Eastern Zone. This, Lieutenant said, applied particularly to the promise to review the matter of sequestrations, to the increasing throttling of private industry in favor of Soviet AGs and socialized plants, and to the unfair treatment of the old established farmers. It was pointed out that the SED two-year plan ignored all other political groups in the Eastern Zone and that the DWK is nothing but the executive organ of the SED.
3. As a result of this letter, Russian komendatury instructed all LDP agencies to endorse the SED two-year plan. Some of the LDP state leaders refused to do so and demanded that the matter be discussed by the Berlin leaders and that they define their stand. Following a meeting of LDP leaders, in which the situation was discussed, the Russians refused permission for the publication in the Soviet Zone of the resolution taken--namely, disapproval of the two-year plan and of the arbitrary working methods of the DWK. In addition, Dr. Kastner, Vice-President of the DWK, was asked by the Russians to issue in the name of the LDP a clear statement to the effect that the party is in favor of the two-year plan. Such a declaration was actually published in Der Morgen by order of the SMA in spite of objections raised by Lieutenant. Dr. Kastner who had always been regarded in LDP circles as a fervent pro-Russian, even more amenable to Russian wishes than Dr. Kuelz, had not been re-elected chairman of the LDP of Saxony. He owes his appointment as vice-president of the DWK exclusively to the SMA, since the LDP, whose choice had always been Dr. Gaertner, was not approached in this matter.

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Next Review Date: 2008

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☒ DECLASSIFIED
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CENTRAL INTELLIGENCE AGENCY

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4. The LDP Hauptausschuss was to meet in Leipzig 3 - 5 August for the purpose of discussing and making arrangements for the LDP Party convention to be held in Eisenach about two weeks later. However, in conformity with a Russian order, the meeting will be held in the Russian Sector in Berlin instead of in Leipzig. The entire Volksrat is scheduled to convene in Berlin on the same date, so that all those LDP officials who approve of the Russian policy may attend. Another reason is that it will be easier to justify the presence of Dr. Kastner in Berlin than it would be in Leipzig. In addition, the Russians wish the Gensecke group, which is their willing tool, to take part in the deliberations.
5. The Russians realize that if elections were held at the present time, a large number of votes would be cast against the SED, and for this reason, they are most anxious to suppress the autumn elections. Dr. Kastner is therefore expected to demand at the meeting in the name of the LDP, but actually by Russian request, that no elections be held this autumn, explaining that an election campaign would interrupt and retard the political and economic recovery program.
6. The propaganda campaign of the National Democratic Party and of the Democratic Peasants Party has apparently reached the point where it would be possible to dissolve the old "bourgeois parties" by accusing them of working against the interest of the people (volksfeindlich). Nevertheless, the Russians intend to maintain the status quo for the present time, feeling that it is of major importance that the fiction of a bloc policy be maintained, while the SED is actually increasing its domination of the political field. It is planned to label all opposition against the SED policy "sabotage of the bloc policy" and to find ways and means to render the present recalcitrant LDP and CDU leaders ineffectual and harmless.

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